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news from Korn/Ferry International

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SENIOR EXECUTIVE HIRING DIPS SLIGHTLY IN FIRST QUARTER

--Companies Taking a Look at Profit Centers,

Replacing General Managers--

NEW YORK, April 5, 1990 -- Recruiting of senior executives by the nation's leading corporations leveled off slightly in the first quarter of 1990, according to the 73rd National Index of Executive Vacancies, a quarterly report released today by Korn/Ferry International. The Index reported that recruiting levels fell three percent below the quarterly totals of a year ago.

"Companies have been moving cautiously on senior hiring decisions from quarter to quarter for the past year," said Lester B. Korn, Chairman of Korn/Ferry. "Contradictory signals and conflicting economic forecasts have forced management to concentrate on maintaining profitability while positioning themselves for the future."

"One sign that companies are focusing on crucial profit-center responsibility is a significant upswing in the number of general managers being recruited," said Korn. In 1990's first quarter, fully 50 percent of senior executive hiring was in the general management area, up from 38 percent last year.

Korn said, "There has been a consistently strong demand for presidents/COOs, division heads -- and CEOs as well. Companies are looking very hard at key leadership positions and are not afraid to make changes to insure the kind of aggressive, competitive spirit at the helm that will be able to take them into the next century."

Recruitment of Marketing, Finance Executives Off

The surge in demand for general managers in the first quarter was accompanied by a decline in the number of marketing and finance executives being sought. Recruitment of marketing and sales executives fell from 16 percent to 13 percent of total hiring, while that of finance and control executives went from 12 percent to seven percent.

"However, the marketing function will grow in importance as companies move to exploit new opportunities," said Richard M. Ferry, Korn/Ferry President and Co-founder. "The dizzying pace of global political and economic change is presenting unheard-of opportunities for American business and plans for expansion into new areas and new businesses are on the drawing boards."

Ferry points out, however, that such plans are in the early stages and have not been translated yet into staffing decisions. "When that time comes," he says, "look for a veritable explosion in the demand for savvy marketing talent that can operate in the international arena."

In other functional areas, hiring was off slightly in human resources and administration and in manufacturing and engineering. In management information systems, there was an increase in demand for senior systems executives.

Industry Hiring Picture

While continuing to claim the largest share of executive recruitment by industry (19 percent), activity in financial services was limited almost entirely to replacement hiring. "The gloomy picture in the financial services industry has not improved this quarter," said Ferry. "There is some shuffling at the senior-most levels and some activity as a result of retirements, but on the whole, the industry is far from the heady, expansionist days of the mid-80s."

Because of continuing weakness in the electronics industry and looming cuts in defense spending, the high technology sector saw its share of senior hiring contract from 14 percent to nine percent. Consumer products were off (from seven percent to four percent), as was retailing (eight percent to four percent). There was also a decided drop in the number of executives being sought by the public and not-for-profit sector.

The health care industry posted significant gains, however, increasing its share of senior executive demand from seven percent to 11 percent. And there was a surge in demand for executives in the professional services sector, which saw its share of senior hiring rise from three percent to seven percent. Other winners included the energy and natural resources industries, chemical and related products, transportation, utilities and communications -- in particular, telecommunications.

Hiring remained relatively flat in manufacturing, real estate and in the hospitality, leisure and entertainment industries.

East Coast Weighs In as Strongest Region

The Northeast continued to enjoy the largest proportion of executive hiring by region. Buoyed by activity in professional services, a regional mainstay, as well as communications and a strong spurt in chemicals, the East claimed a 37 percent share of national hiring, compared with 31 percent for the West Coast.

A particularly robust health care sector in the Midwest helped boost hiring levels from 13 percent to 15 percent this quarter. In the Southeast, hiring rose from 10 percent to 12 percent, with a pickup in executive demand in insurance and transportation services. A lull in regional hiring pushed the Southwest's share from 10 percent last year to only five percent in this year's first quarter.

750 Companies Surveyed

The National Index of Executive Vacancies is based on a quarterly survey of 750 Korn/Ferry International clients who are among the nation's largest corporations and non-profit organizations, including government agencies, universities and cultural institutions. The Index records the hiring of senior executives earning $100,000 or more annually.

Korn/Ferry International

Headquartered in New York and Los Angeles, Korn/Ferry International specializes in management searches at the senior level. The firm maintains 42 offices in key business centers throughout North America, Latin America, Europe, Asia/Pacific and Australia.

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NATIONAL INDEX OF EXECUTIVE VACANCIES--INDUSTRY*

	1st Q 1990 %	1st Q 1989 %
Agriculture/Natural Resources/Energy	3	1
Chemical and Related Products	10	4
Technology (Electronics, Computers, Software, Defense, Telecommunications)	9	14
Machinery, Manufactured Products	9	9
Consumer Products (not elsewhere classified)	4	7
Transportation, Utilities, Communications	9	6
Wholesale and Retail Distribution	4	8
Financial Services (Banking, Brokerage Insurance)	19	18
Real Estate, Building, Construction	4	6
Health Care	11	7
Not-for-Profit, Government, Associations, Education	6	12
Hospitality/Leisure, Entertainment	4	5
Miscellaneous Professional Services	7	3
Other	1	--
Total	100%	100%

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NATIONAL INDEX OF EXECUTIVE VACANCIES--FUNCTIONS*

	1st Q 1990 %	1st Q 1989 %
Board Level	1	1
Chief Executive Officer	14	16
General Management	50	38
Finance and Control	7	12
Human Resources and Administration	5	6
Information Systems	3	2
Manufacturing, Engineering, R & D, Technology	7	9
Marketing and Sales/Advertising and PR	13	16
Total	100%	100%

NATIONAL INDEX OF EXECUTIVE VACANCIES--REGION*

	1st Q 1990 %	1st Q 1989 %
East	37	36
West	31	31
Midwest	15	13
Southeast	12	10
Southwest	5	10
Total	100%	100%

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